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## Canada

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## United States Top Market for Canadian Agricultural Exports

### **Report Categories:**

Agriculture in the Economy

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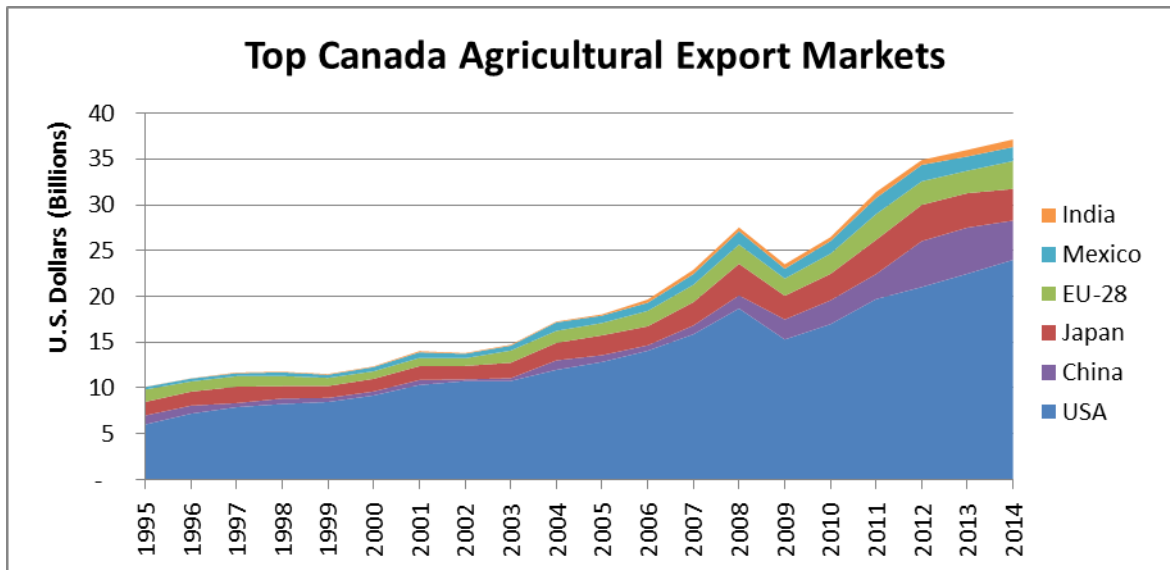
Teresa Muldoon

### **Report Highlights:**

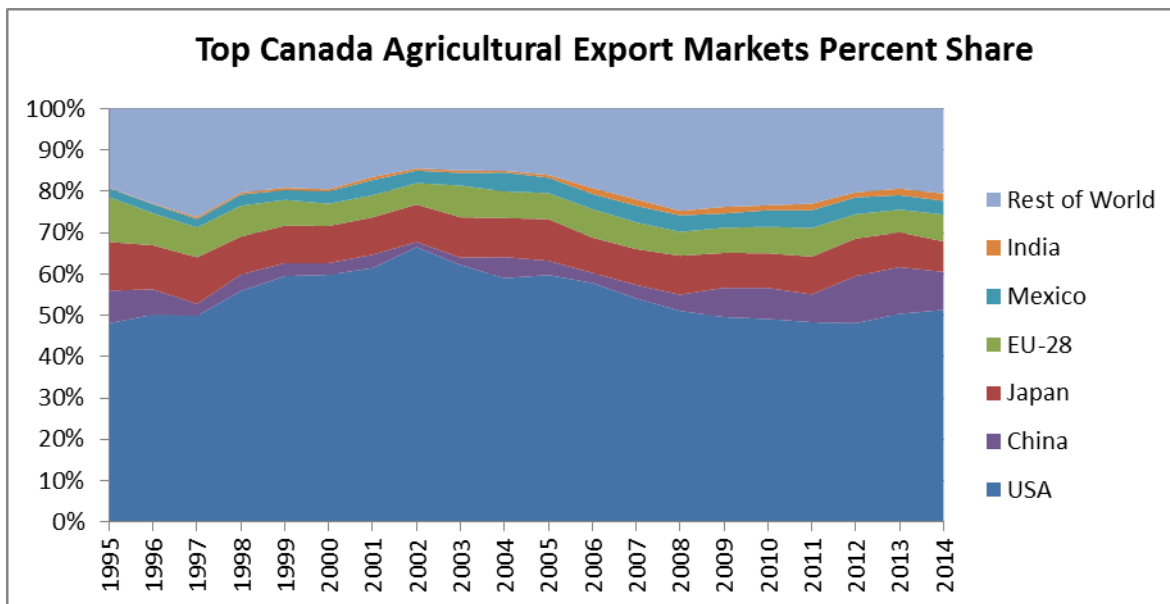
The U.S. is the top market for Canadian exports of agricultural products, taking over 50 percent of the country's \$24 billion in ag exports in 2014. Japan, traditionally Canada's second largest ag market, slipped into third place in 2014 taking just over 7 percent of total ag exports. While agricultural trade between Canada and the United States has traditionally been balanced, in recent years Canada's agricultural exports to the United States have exceeded its imports from the United States.

### General Information:

The U.S. remains the top market for Canadian agricultural exports. In 2014, almost \$24 billion worth or 51.35 percent of agricultural exports from Canada were U.S. bound. For comparison, the next largest market was China, with \$4.3 billion with a 9.19 percent share. Japan ranked third in 2014, importing almost \$3.5 billion, which gave them a 7.38 percent share of Canadian agricultural exports. Over the last 20 years, the U.S. has maintained a very substantial percent share in the Canadian agricultural export market; the U.S. had over a 50 percent share in the market for 14 of these years. On the flip side, Canada's percent share in U.S. agricultural exports peaked in 2006 at 16.92 percent.

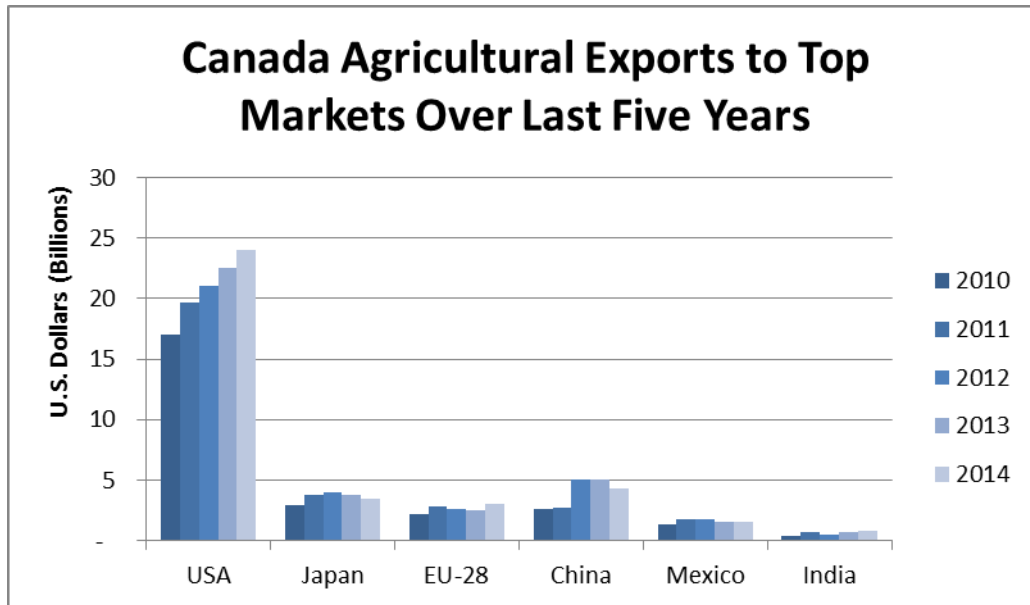


Source: Global Trade Atlas



Source: Global Trade Atlas

The trade partnership between the U.S. and Canada has grown steadily over the past five years. Other large markets have been less consistent. For example, Japan has historically been a top market for Canadian agricultural exports, but has started to fall in recent years. Similarly, Mexico and China have started a downward trend.



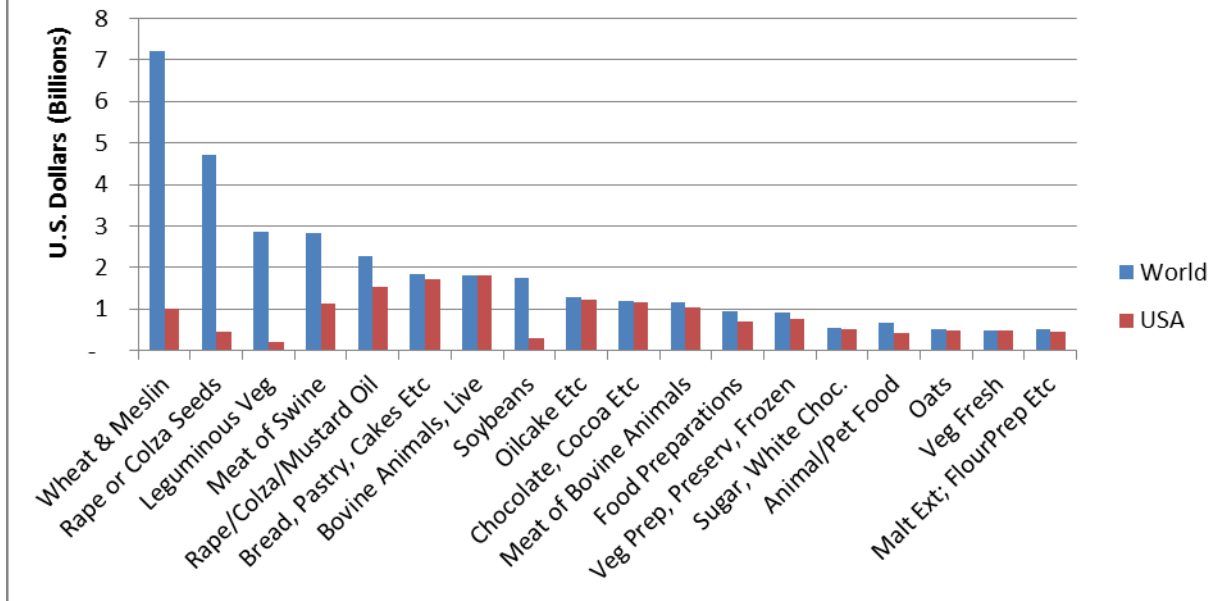
Source: Global Trade Atlas

Not surprisingly, of the 15 top Canadian agricultural exports, 13 rely on the U.S. as their number one market. The U.S. even has over a 60 percent share in ten of them:

- Rape/Colza/Mustard Oil: 68 percent share
- Bread, Pastry, Cakes etc.: 94 percent share
- Bovine Animals, Live: 99 percent share
- Oilcake etc., From Vegetable Fats and Oils: 96 percent share
- Chocolate & Cocoa Containing Products: 97 percent share
- Meat of Bovine Animals: 88 percent share
- Food Preparations, Not Elsewhere Specified or Indicated (Nesoi): 76 percent share
- Vegetables Prepared or Preserved Nesoi, Frozen: 82 percent share
- Sugar Confection (Incl White Chocolate), No Cocoa: 96 percent share
- Animal/Pet Food: 61 percent share

A selection of top exports to the United States is shown below with a comparison to exports to the world (including the U.S.). The graph shows just how large a percent share the U.S. has in top Canadian agricultural exports. Even in some categories where the U.S. percent share is not very high (Soybeans, Wheat & Meslin, Meat of Swine), the U.S. is still the top market. China is the top market for Canadian Rape and Colza Seeds, and India is the top market for Leguminous Vegetables.

## World vs. USA Comparison of Top Canada Agricultural Exports in 2014



Source: Global Trade Atlas

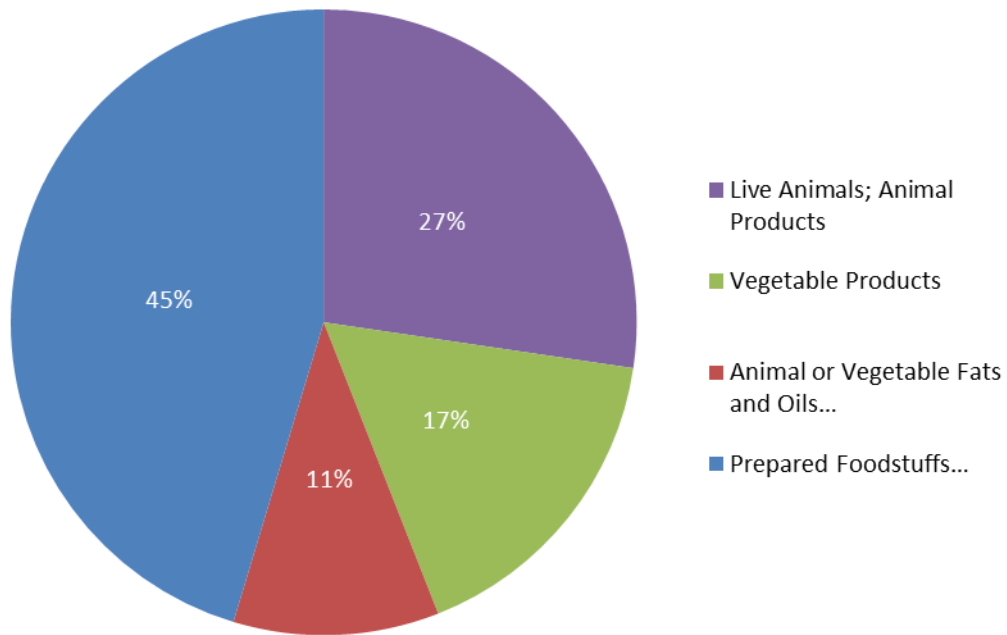
For further analysis, if Canadian agricultural exports were split into four sections:

- Live Animals; Animal Products
- Vegetable Products
- Animal or Vegetable Fats and Oils and their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes
- Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes

the majority of agricultural exports sent to the U.S. in 2014 are within the “Prepared Foodstuffs” category. These exports made up 45 percent of the top 15 exports. These seven exports include:

- Bread, Pastry, Cakes etc.: \$1.8 billion
- Oilcake etc., From Vegetable Fats and Oils: \$1.2 billion
- Chocolate & Cocoa Containing Products: \$1.2 billion
- Vegetables Prepared or Preserved Nesoi, Frozen: \$750 million
- Food Preparations Nesoi: \$700 million
- Sugar Confection (Incl White Chocolate), No Cocoa: \$500 million
- Malt Extract; Food Preparations of Flour etc. Containing Under 40% Cocoa etc.: \$460 million

## Top 15 Canada Exports to U.S. in 2014

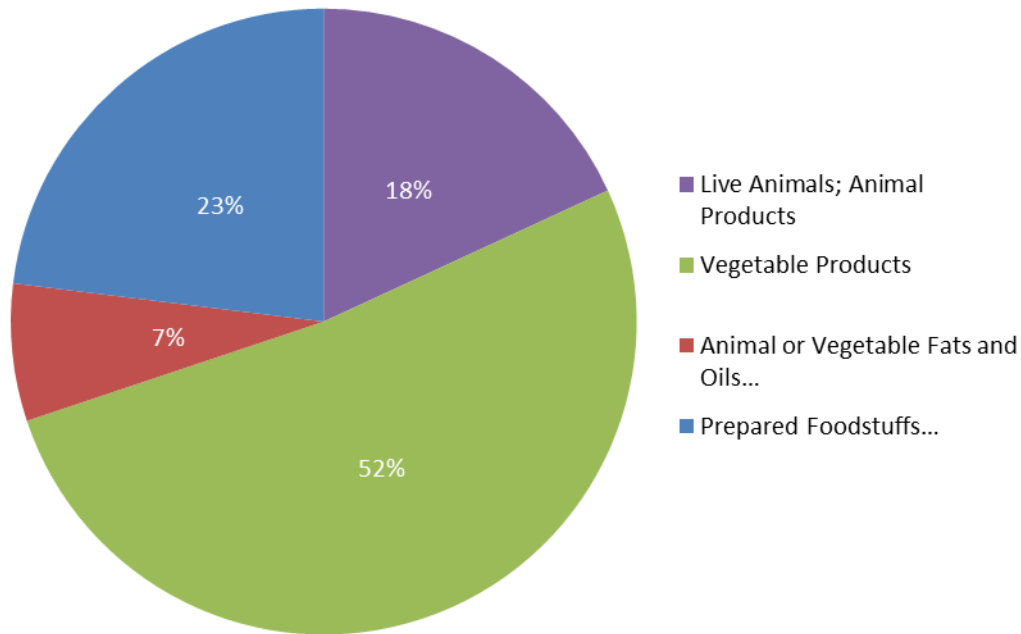


Source: Global Trade Atlas

In comparison, Canada's top agricultural exports worldwide in 2014 (including the U.S.) were mostly "Vegetable Products." These exports include:

- Wheat and Meslin: \$7.2 billion
- Rape or Colza Seeds: \$4.7 billion
- Leguminous Vegetables: \$2.9 billion
- Soybeans: \$2.8 billion

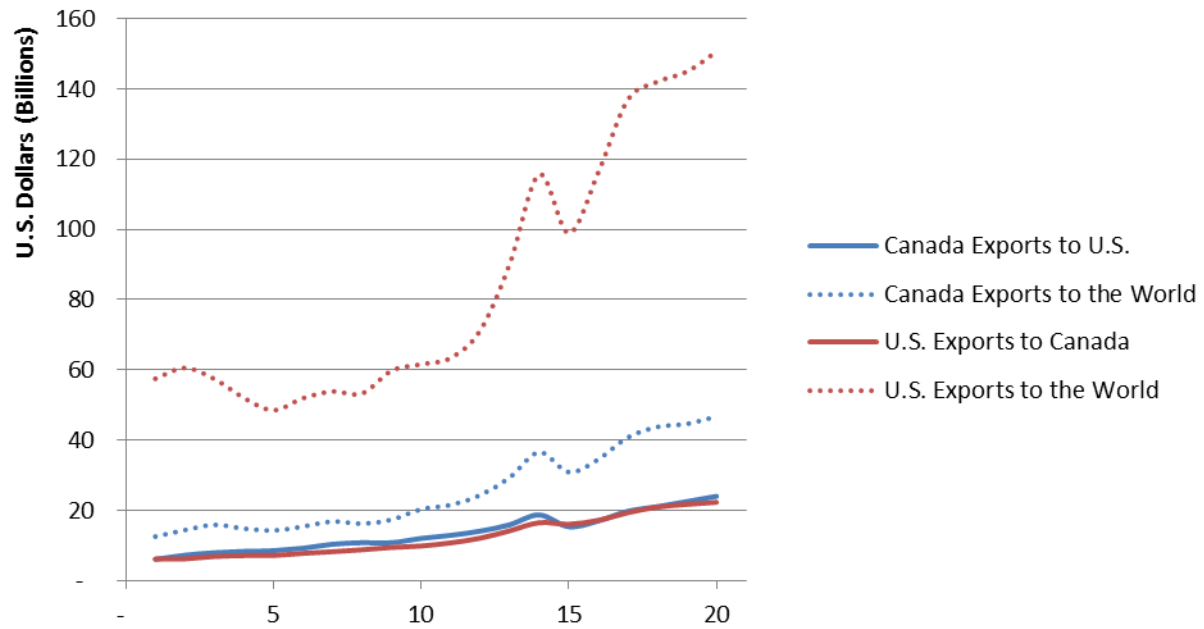
### Top 15 Canada Exports to the World in 2014



Source: Global Trade Atlas

In 2014, Canada imported \$21 billion worth of U.S. agricultural products; this was 61% of their total agricultural imports that year. In 2014, Canada exported \$24 billion worth of agricultural goods to the U.S., making up 51% of their total agricultural exports. In comparison, only 15% of U.S. agricultural products were exported to Canada in 2014. This shows just how important the U.S. market is for Canadian agricultural exporters.

## Canada and U.S. Exports Over Last 20 Years



Source: Global Trade Atlas (Stats Canada, U.S. Census)